

President's News Conference on Foreign and Domestic Issues

Following is a transcript of President Reagan's news conference last night in Washington, as recorded by The New York Times.

OPENING STATEMENT

Good evening. I have a few words here before I take your questions, just some brief remarks.

Eighteen months ago, as I said last Thursday, this Administration began a secret initiative to the Islamic Republic of Iran. Our purposes were fourfold: to replace a relationship of total hostility with one of respect; to bring a negotiated end to the Iran-Iraq war; and to bring an end to terrorism, and to effect the release of our hostages.

We knew this undertaking involved great risks, especially for our people and for the Iranian officials with whom we dealt. That's why the information was restricted to a very small cabinet office and to a few officials with an absolute need to know.

This undertaking was a matter of considerable debate within Administration circles. Our policy objectives were never in dispute, there were differences on how best to proceed. The principal issue in contention was whether we should make isolated and limited exceptions to our arms embargo, as a sign of our serious intent. Several top advisors opposed the sale of even a modest shipment of defensive weapons and spare parts to Iran. Others felt no progress could be made without this sale.

I considered the risks. I weighed the risks of failure and the rewards of success, and I decided to proceed and the responsibility for the decision and the operation is mine, and mine alone.

As Mr. Lincoln said of another President: "If it turns out right, it will be right; if it turns out wrong, it will be wrong; if it turns out right, it will be right; if it turns out wrong, it will be wrong."

I understand this decision is deeply controversial and some profoundly disagree with what was done. Even some who support our secret initiative believe it was a mistake to send any weapons to Iran. I deeply believe in the correctness of my decision. I was convinced then, and I am convinced now, that while the risks were great, so too, was the potential reward.

Bringing Iran back into the community of responsible nations, ending its participation in political terror, bringing an end to the Iran-Iraq war, and bringing our hostages home, these are the causes that justify taking risks. In foreign policy, the presence of risks alone cannot be reason enough not to act. There were risks when we liberated Grenada, when we went into Lebanon, when we aided the Philippines and when we acted against Libya. So we'll continue our efforts.

However, to eliminate the widespread but mistaken perception that we have been exchanging arms for hostages, I have directed that no further sales of arms of any kind be sent to Iran. I have further directed that all information relating to our initiative be provided to the appropriate members of Congress. There may be some questions which, for reasons of national security or to protect the safety of our hostages, I will be unable to answer publicly. I will inform you of what will be provided to the appropriate members of Congress.

And now, I'll take your questions, Helen?

Administration Credibility

Q. Mr. President, in the recent past there was an Administration whose behavior we watched what we do, not what we say. How would you assess the credibility of your own Administration in the light of the prolonged deception of Congress in the Iran-Iraq war and your secret dealings with Iran, the disinformation, the trading of Scharoff for Daniloff? And I'd like to follow up.

A. Well, Helen, let me take the last one first. I know you, some persist in saying that we traded Scharoff for Daniloff. We did not. We said that we would have no dealings with the Soviet Union even if it meant giving Daniloff was in our hands. But to bring it up to date on this, there was no deception intended by us. There was the knowledge that we were embarking on something that was of great risk to the people we were talking to, great risk to our hostages and therefore we had to have it limited to only the barest number of people that had to know. I was not breaking any law in doing that. If it provided for me to do that. At the same time I have the right under the law to report to Congress on an action and defer it until such time as I believe it can safely be done with no risk to others. And that's why I have ordered in the coming week the proper course of action be debriefed on this and we — there are still some parts of this that we cannot go public with, because it will bring risk, endanger people that are held in prison, that we have been negotiating with. We were not negotiating government to government. We were negotiating with certain individuals within that country.

Q. You don't think your credibility has been damaged? And are you prepared now to disavow the finding which let you make ends around the Iranian arms embargo — you're going to tear it up?

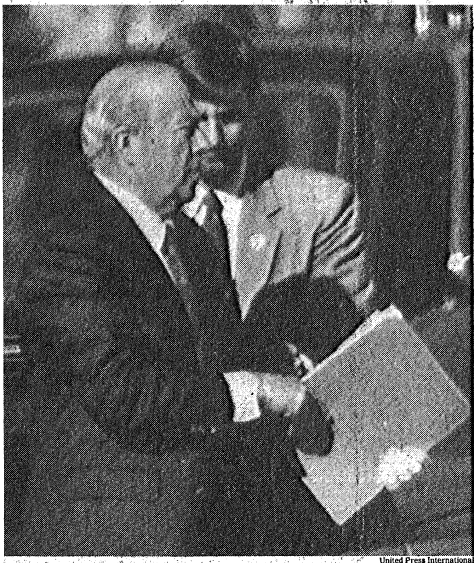
A. No, as I say, we are going to observe that embargo and it's part of the same reason. And as I've said, we were doing this in the first place — and that's to see if we could bring about peace between two countries, a peace without victory to either one or defeat, and that will recognize the territorial integrity of both. And that is something that one of our allies are seeking also.

But I think the people understand that sometimes you have to keep a secret in order to save human lives and to succeed in the mission, just as we went into Grenada without prior notice, because then we would have put to risk all of those men who were going to hit the beach.

Shultz Resignation Rumors

Q. Mr. President, has Secretary Shultz discussed his resignation with you? Have you agreed to accept it, or have you asked him to stay on?

A. Mike, he has never suggested to me in our meetings that a resignation — and in fact he has made it plain that he is not leaving as I want him, and I want him. So there's never been any discussion there. He knows that I want him to stay and he has, in ad-



Secretary of State George P. Shultz arriving for a meeting with President Reagan.

vice, said that he wants to. There's been no talk of resignation.

Q. If I may follow up, sir, he has made his staying conditioned on your agreeing not to send further arms to Iran?

A. No, there've been no conditions. As I say, there's no need to go further with this. The mission was served that made us waive temporarily that for that really minuscule amount of spare parts and the defensive weapons, Chris?

Timing of Releases

Q. Mr. President, you have stated flatly, and you stated flatly again tonight, that you did not trade weapons for hostages. And yet the record shows that every time an American hostage was released — last September, this July and again just this very month — there had been a major shipment of arms just before that. Are we all to believe that that was a coincidence?

A. Chris, the only thing I know about major shipments of arms is, as I've said, everything that we sold them could be put in one cargo plane and there would be plenty of room left over. Now, if there were major shipments — and we know this has been going on; there have been other countries that have been dealing in arms with Iran; there have been also private merchants of such things that have been doing the same thing.

Now, I've seen the stories about a Danish tramp steamer and Danish sailors' union officials talking about their ships taking various supplies to Iran. I didn't know anything about that till I saw the press on it, because we certainly never had any contact with anything of the kind.

And, so, this — it's just that we did something for a particular mission; there was a risk entailed. And Iran held no hostages; Iran did not kidnap anyone, to our knowledge, and the fact that part of the operation was that we knew, however, that the kidnappers of our hostages did have some kind of relationship with Iran could at times influence them. And so three of our hostages came home.

Q. If I may follow up, sir, on that first point, your own Chief of Staff, Mr. Regan, has said that the U.S. condoned Israeli shipments of arms to Iran, and aren't you, in effect, sending the very same message you always said you didn't want to send? Aren't you saying to terrorists, either your or your state sponsor, which in this case was Iran, can gain from the proper Congressional committees on an action and defer it until such time as I believe it can safely be done with no risk to others. And that's why I have ordered in the coming week the proper course of action be debriefed on this and we — there are still some parts of this that we cannot go public with, because it will bring risk, endanger people that are held in prison, that we have been negotiating with. We were not negotiating government to government. We were negotiating with certain individuals within that country.

Alles and Arms Embargo

Q. Mr. President, when you had the arms embargo on you were asking other nations, our allies in particular, to observe it publicly. But at the same time privately you concede you were authorizing a breaking that embargo by the United States. How can you justify this duplicity?

A. I don't think it was duplicity, and as I say the so-called violation did not in any way alter the balance — military balance — between the two countries. But what we've made timing for I think made it worthwhile, and this was a waiver of our own embargo. The embargo still stays now into the future. But the causes that I came here in my opening statement, first of all to try and establish a relationship with a country that is of great strategic importance to a peace and everything else in the Middle East; at the same time also to strike a blow against terrorism and to get our hostages back as we did, and this particular thing was we felt necessary in order to make the case that we've made and that could lead to better relations with us. And there was a fourth item also as I pointed out.

Q. Sir, if I may, the polls show that a lot of American people just simply don't believe you. That the one thing that you've been doing for you more than anything else in your Presidency — your credibility — has been severely damaged. Can you repair it? What does it mean for the rest of your Presidency?

A. Well I imagine I'm the only one around who wants to repair it and I didn't have anything to do with damaging it.

Bill?

Law on Arms Shipments

Q. Mr. President, you say that the equipment which was shipped didn't alter the military balance, yet, several things — we understand that there were a thousand TOW antitank missiles shipped by the U.S. The apparently condoned shipments by Israel and other nations of other quantities of arms as an ancillary part of this deal — not directly connected, but had to do with the or the shipments could not have gone forward. Sir, so how can you say that it cannot alter the military balance? And how can you say, sir, that it didn't break the law when the National Security Act of 1977 plainly talks about timely notification of Congress and also, sir, stipulates that if the highest security requires secrecy, the President is still required to advise the leadership and the chairman of the intelligence committee? Everything you've said here is based on a supposition that is false. We did not condone, and do not condone, the shipment of arms from our country. We know what was the other point that you made here?

Q. About the antitank missiles, sir, might I think that a thousand antitank missiles — that it did violate the law. No, as I said, the President, believe it or not, does have the power, if in his belief, national security can be served, to waive the provisions of that law as well as to defer the notification of the Congress.

Q. Isn't it possible that the Israelis, sir, might think that a thousand antitank missiles was enough to alter the balance of that war?

A. This is a purely defensive weapon. It is a shoulder-carried weapon, and we don't think that — in this defensive thing we didn't add to any offensive power on the part of Iran. We know that Iraq has already announced that they were willing to settle the conflict, as we've said, with no winners or losers, and that and the other parts happen to be spare parts for an antitank Hawk battery. And, as I say, all of those weapons could very easily be carried in one mission.

Now I think, Charles.

The Role of Israel

Q. Mr. President, I don't think it's still clear just what Israel's role was in this, the questions that have been asked about a condoned shipment. We do understand that the Israelis sent a shipment in 1985 and there's also reports that it was the Israelis that contacted your Administration and suggested that you make contact with Iran. Could you explain what the Israeli role was here?

A. No, because we, as I say, have nothing to do with other countries or their shipment of arms or doing what they're doing. And, as a matter of fact, the first ideas about the need to restore relations between Iran and the United States or the Western world, for that matter, actually began before your Administration was here. But from the very first, if you look down the road at what could happen and perhaps a change of government there, that it was absolutely vital to the Western

world and to the hopes for peace in the Middle East and all for us to be trying to establish this relationship. And we worked, we started about 18 months ago really, as we began to find out some individuals that might be possible for us to deal with and who also were looking at the probability of a further accident.

Trudy?

The Iranian Moderates

Q. The contacts that you're suggesting are with moderates in the Iranian and Iranian and in the Iranian system. Barry Goldwater tonight said in his judgment there are no moderates in Iran. I don't mean to suggest that there may not be, but how did you know that you were reaching the moderates? And how do you define a moderate in that kind of a government?

A. Well, again, you're asking questions that I cannot get into with regard to the answers. But believe me, we had information that led us to believe that there was a moderate in Iran, one of them, and one of them with an eye toward the fact that they think sooner rather than later there is going to be a change in the government there. And there's great dissatisfaction among the people in Iran. Trudy?

Q. Mr. President, can we turn to you and Soviet relations for a moment please?

A. I'd be delighted.

Arms Negotiations

Q. The chief arms negotiator, Max Kampelman, says that as a result of your meeting with Mr. Gorbachev in Iceland that there were no results — nothing positive — and the area is widely scattered still. How do you propose in your term — in the remainder of your term — to close the gap for an agreement?

A. Well, Trudy, the thing is about that situation — and not why as I said — all the agreements or the apparent places where we agreed at Reykjavik are on the table now with our arms negotiators in Geneva. And for the first time there was an agreement reached on the desire to eliminate all strategic nuclear missiles in a five-year period and then dealing with the intermediate-range missiles in Germany. And just before the meeting broke up was the first time it had always been our purpose, and was our purpose when we went there, to see if these are the destabilizing weapons, these are the weapons that people in their mind can picture someone pushes a button and a lot of places blow up. And we always thought that if we could make a start on those, the destabilizing missiles, and then we could move on to the other nuclear weapons — bombs carried by airplanes and so forth.

And we had gone there with the express purpose of if we could arrive at some kind of a settlement on one or the other of these other two missiles talks. And it was just before the meeting broke up that for the first time they suggested that they were talking about all weapons — nuclear weapons, not just the others. Well, there was not time for us to discuss them — this new force that was there. But I understand we were saying right. That — I just call to your attention that never in the history of the Soviet Union has a Soviet leader ever publicly proposed eliminating weapons they already have. And this Soviet leader has. He has talked actually of totally eliminating them, and so the only I can say to you is I know they're difficult to deal with, but all I can say they're still at the table in Geneva, and the proposals are still there, so I continue to be optimistic.

Q. I just want to follow up. Do you think you're going to see Mr. Gorbachev again during your term? Or do you think he's thinking that he'll wait for the next President to negotiate an arms-control agreement?

A. Well, I have to — I have to believe there's reason for optimism because he himself suggested the Iceland meeting as a forerunner to the summit that was supposed to take place in the United States. And all I can do is recall that when the Soviets some time ago got up and walked out of the Geneva arms meetings because we were installing the medium-range — the Pershings and the Cruise missiles in Europe — and they walked out and said, "That does it," but they came back.

Q. Do you have a date to meet him again?

A. No, that's what we're waiting for, is for them to give us a date.

Number of Shipments

Q. Mr. President, going back over your answers tonight about the arms shipments and the numbers over them, are you telling us tonight that the only shipments with which we were involved were the one or two that followed your Jan. 17 findings and that whatever your sides have said on background or on the record, there were no other shipments with which the U.S. condoned?

A. That's right. I'm saying nothing but the missiles that we sold. And remember, they're too many people that are saying "gave." They brought them.

Andrea.

Notification on Shipments

Q. Mr. President, to follow up on that, we've

been told by the chief of staff, Donald Regan, that we condoned this Government condoned, an Israeli shipment in September of 1985 shortly before the release of hostage Benjamin Weir. That was four months before your intelligence filing on Jan. 17 that you gave you the legal authority not to notify Congress. Can you clear that up with why we were not, why this Government was not in violation of its arms embargo and the notification to Congress for having condoned American-made weapons shipped to Iran in September of 1985?

A. No, I've never heard Mr. Regan say that. And I'll ask him about that because we believed in the embargo and as I say, we waived it for a specific purpose, in fact with four goals in mind.

Yes?

Q. Can I just follow you up on that, Sir, because, what is unclear to me, I think, many people in the American public is why, if you're saying tonight that there will be no further arms shipments to Iran, why you won't cancel the Jan. 17th intelligence findings, so that you can put to rest any suggestion that you might, again, without notification and in complete secrecy, and perhaps with the objection of some of your Cabinet members, continue to ship weapons if you think that it is necessary?

A. No, this — we have no intention of doing that, but at the same time we are hopeful that we're going to be able to continue our dealings with these people, these individuals.

Q. But you won't cancel the intelligence findings?

A. I don't know whether it's called for or whether I have to wait until we've reported to Congress and all. I don't know just what the technicality legally is on this.

American Public Opinion

Q. Mr. President, why do you think the strategic position notwithstanding, the American people would ever support weapons to the Ayatollah Khomeini?

A. We weren't giving them to the Ayatollah Khomeini. It's a strange situation, as I say. We were dealing with individuals, and we believe that some of those — and some of those individuals are in government — in positions of government — but it was not a meeting, officially, of the United States head of state and the Iranian head of state. But these people, we believed, and their closeness to the Iraqi military, was such that this was necessary to know, No. 1, that we were serious and sincere in our effort about good relations; and also that they were dealing with the head of government over here, that this wasn't something coming out of some agency or bureau — that I was behind it.

Q. Well, sir, if that's the case, some have asked that if Libya occupied as strategic a position as Iran did, would you then arm Qaddafi and bomb Khomeini?

A. I know that's a — believe me, that's as about as hypothetical a question as anyone could imagine. The situations are quite different.

Swapping for Hostages

Q. Mr. President, you've said that you were swapping, or you did not think you were swapping, arms for hostages. But did it ever occur to you, or did it never occur to you, that certainly the Iranians would see it that way and that they might take it as an inducement to take more hostages, especially in light of the fact that they've released three but taken three more?

A. To the best of our knowledge, Iran does not own or have authority over the Hezbollah. They cannot order them to do anything. It is apparent that they evidently have either some persuasion — and they don't always succeed — but they can sometimes persuade or pressure the Hezbollah into doing what they did in this instance.

And, as I say, the Iranian Government had no hostages and they bought a shipment from us and we, in turn — I might as well tell you — is that we in turn had said when they wanted to know our, our position and whether we were trustworthy and all of this, we told them that we were — we did not want to do business with any nation that openly backed terrorism. And they gave us information that they did not.

And they said also that they had some evidence that there has been a lessening of this on the part of — of the Khomeini and the Government, and that they had made some progress — a matter of fact, some individuals associated with terrorist acts had been put in prison there. And so that was when we said, "Well, there's a very easy way for you to verify that, if that's the way you feel, and if they're being held hostage in Lebanon."

Q. If I can follow up, if your arms shipments had no effect on the release of the hostages, then how do you explain the release of the hostages at the same time that the shipments were coming in?

A. Well, I said that, at the time, I said to them that there was something they could do to show their sincerity and if they really meant it that they were not in favor of backing terrorists, they could begin by releasing our hostages. And as a matter of fact, I believe and have reason to believe that we would have had all five of them by this last weekend had it not been for the attendant confusion that arose here in the reporting.

You don't have your red mittens.

Publicity on Hostages

Q. On that point, you said earlier and you said just now again that, but for the publicity, two other hostages would have been returned home by now. As you know, the publicity began in a Syrian, pro-Syrian magazine in Lebanon. My question is, therefore, are you suggesting that someone who was a party to this sabotage it by deliberately leaking that original report?

A. To the best of information, the leak came from a person in government in Iran and not one of the people that we were dealing with. Someone that would be more hostile to us. And that individual gave the story to the magazine and the magazine then printed the story there in Beirut.

Policy on Nicaragua

Q. Mr. President, there has been an obvious tilt in policy toward Iran, from refusing to deal with a terrorist state — even sending weapons as a gesture of goodwill. Would you consider, in the name of the same geopolitical interest that you invoked with Iran, changing your policy towards Nicaragua?

A. No, and I believe that I've answered that.

Continued on Following Page

Aid for Needy to Be Reviewed

Special to The New York Times

WASHINGTON, Nov. 19 — President Reagan said tonight that he would review Federal programs designed to help hungry and homeless people to see if they were sufficient.

At his news conference, devoted almost exclusively to foreign affairs, Mr. Reagan was asked how he would respond to local officials and community groups who said they needed more help from the Federal Government to care for the homeless.

"I think that in things of that kind, the more help the Federal Government has ever been spent before trying to help the needy," Mr. Reagan said.

"I'll be very pleased to look into that particular fact and see if there is some snafu there, but I don't think

so," he added.

Further, Mr. Reagan said, "Many of these programs are being undertaken at a state and the local level and with the aid of Federal financing."

Mr. Reagan then commented on the situation of a low-income family living in New York City.

"I just read this morning in the paper about a needy family in New York that is being put up in a hotel, and the cost to welfare just for the rent of that hotel was \$37,000 a year."

Mr. Reagan said, "And I wonder why somebody doesn't build them a house for \$37,000." The comment appeared to be a reference to an editorial story in The New York Times.

Transcript of President's News Conference: U.S. Aid for Rising Homeless

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question, I think, more than once here. That, no, we still hold to our position, and Iran, officially, is still on our list of nations that have been supporting terrorism. But I'm talking about the people that we were doing business with, and they gave us indication and evidence that that policy was changing. And so, as I said, to give them more prestige and muscle there, where they were, we made this sale.

Q. Mr. President, would you consider breaking diplomatic relations with Nicaragua to increase the pressure on the Sandinista Government?

A. No, we have not thought of that. And we still believe very much in supporting the contras because we believe in the contras' cause. The contras have made it plain that they — all they seek is to be able to put enough pressure on the Sandinista Government for that Government to negotiate with them, and the people of Nicaragua for the kind of government that they all, together, had promised when they were fighting the revolution against the Somoza dictatorship. And it was the Sandinistas who, as communist groups usually do, simply, when the revolution was over, they did everything they could to get rid of their fellow revolutionaries, and they seized power and created a totalitarian communist state. Now, the Sandinistas — or the contras — have never proposed overthrowing the Government. They have repeatedly offered and said, we simply want to be able to negotiate and get — have a chance to have the government installed that we've promised the Organization of American States we

were fighting for. So, I think we continue to help them, but we believe that there is a value in maintaining relations that gives us a listening post in Nicaragua.

A Defensive Presidency

Q. Mr. President, there is a mood in Washington tonight of a President who is very much beleaguered, very much on the defensive. Why don't you seize the offensive by giving your Secretary of State a vote of confidence declaring that all future covert activities will have his support and by shaking up the National Security Council in such a way as to satisfy the concerns in Congress that it has been running a para-military operation out of the basement of the White House in defiance of the State Department and the Congress.

A. The State Department and the Secretary of State was involved, the director of the C.I.A. was involved in what we were doing. And, as I said before, there are certain laws in which for certain actions I would not have been able to keep them as secret as they were. But these people you've mentioned have been involved. They know what was going on. And, I don't see that the action that you have suggested is called for but what you've disappointed me the most in is suggesting that I sound defensive up here. I've just been trying to answer all of your questions as well as I can. And I don't feel that I have anything to defend about at all. With the circumstances the way they were, the decision I made I still believe was the correct decision. And I believe that we achieved some portion of our goals.

More Hostage Releases

Q. Mr. President do you believe that any of the additional hostages will be released?

A. I have to believe that.

Q. During any of these discussions with your Administration was there ever any hint or suggest that these weapons might be used to topple the Ayatollah?

A. No, and I don't see in any way how that could be with the particular things we were using. I don't see where the Ayatollah could be a logical target for an antiaircraft missile or even for a tow missile for that matter.

Aid to Iran

Q. Mr. President, you made an exception to the arms embargo when you thought it was in the U.S. interests to do so. Why shouldn't other nations send weapons to Iran when they think it's in their interests?

A. Well, I would like to see the indication as to how it could be in their interest. I know that there are other nations that feel as we do that the Western world should be trying to find an avenue to get Iran back where it once was and that is in the family of democratic nations and the family of nations that want peace in the Middle East and so forth.

Q. Mr. President, if I may follow up, how does shipping weapons to Iran help bring them back into the community of nations. You've acknowledged that you were dealing with only a small portion of . . .

A. I was talking of strengthening a particular group who needed the prestige that that could give them who needed that bargaining power themselves within their own ranks. Jerry?

Q. Mr. President, I believe you may have been slightly in error describing a TOW as a shoulder-mounted weapon. It's a ground-to-ground weapon — a red eye is the shoulder weapon, but that's beside the point. TOW's are used to destroy tanks.

A. Yes I know, Jerry. I know it's a tank weapon.

Q. I don't think it's fired from your shoulder.

A. Well, now if I have been misinformed, then I will yield on that. But it was my understanding that that is a man-carried weapon, and we have a number of other shoulder-borne weapons.

Q. I did have a question though.

A. You mean that wasn't a question?

Q. No sir, I thought I knew what a TOW was. I just wanted to ask you, what would be wrong at this stage of the game, since everything seems to have gone wrong that could possibly go wrong, like the Murphy law, the Reagan law, the O'Leary law this week. What would be wrong with saying that a mistake was made on a very high risk gamble and that — so that you can get on with the next two years?

A. Because I don't think a mistake was made. It was a high-risk gamble and it was a gamble that was, as I've said, I believe the circumstances warranted. And I don't see that it has been a fiasco or a great failure of any kind. We still have those contacts, we still have made some ground, we got our hostages back — three of them. So I think that what we did was right, and we're going to continue on this path.

Q. Mr. President, this is a comprehensive question, would you please —

A. [inaudible]

Q. Sir, this is a question that will not wait. It's cold weather out there and a growing number of hungry and cold people are homeless in all of our cities. And these volunteers that you urged to take part in this and try to help have now made their surveys across the nation. They've come back and said: "We can't feed the hungry and take care of the homeless by ourselves. We've got to have Federal help." You have no policy in the White House, I believe, to do this, and you're now just leaving this to local judgment and local groups. They can't take care of it. Won't you please give us a federally coordinated program with long-term planning?

A. I think that in things of that kind, we are still spending more than has ever been spent before, trying to help the needy. I'll be very pleased to look into that particular facet and see if there is some snafu there, but I don't think so. But I do think that many of these programs are being undertaken by the state and the local level and with the aid of Federal financing. But I'll look into it.

Q. They're doing a great job, sir, but they simply say themselves — the churches, the nonprofits: "We can't do it sufficiently, the number is growing so rapidly. We've got to have Federal help."

A. I — well, what I'm saying, I'm going to find out because I think and believe that there is such help. I just read this morning in the paper about a needy family in New York that is being put up in a hotel and the cost to welfare just for the rent of the hotel room is \$37,000 a year. And I wonder why somebody doesn't build them a house for \$37,000.